

## Message Text

CONFIDENTIAL

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64

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-05 L-01

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 EB-04 AGR-05 /066 W

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P R 232212Z OCT 74

FM AMEMBASSY LIMA

TO SECSTATE WASHDC PRIORITY 2470

INFO AMEMBASSY BOGOTA

AMEMBASSY CARACAS

AMEMBASSY LAPAZ

AMEMBASSY QUITO

AMEMBASSY SANTIAGO

C O N F I D E N T I A L LIMA 8991

EO 11652: GDS

TAGS: EIND, PINT, PGOV, PE

SUBJECT: COMMERCE MINISTER DENIES PREDECESSOR'S INVOLVE-  
MENT IN EPSA SCANDAL

REF: LIMA 8823, 8955

1. AT HIS INAUGURAL PRESS CONFERENCE OCTOBER 21, NEW  
MINISTER OF COMMERCE, AIR FORCE MAJOR GENERAL LUIS ARIAS,  
DENIED THAT RESIGNATION OF HIS PREDECESSOR, LT. GENERAL  
LUIS BARANDIARAN, WAS IN ANY WAY RELATED TO EPSA SCANDAL.  
RUMOR NOW GAINING CREDENCE IS THAT BARANDIARAN'S RESIGNA-  
TION FOLLOWED SEVERAL MONTHS OF BUREAUCRATIC DIFFERENCES  
WITH OTHER MINISTERS AND PRESIDENT VELASCO WHICH FINALLY  
REACHED THE POINT OF NO RETURN. IT IS GENERALLY EXPECTED  
THAT BARANDIARAN WILL SOON RETIRE FROM THE AIR FORCE AS  
WELL.

2. BARANDIARAN'S DEPARTURE DOES NOT APPEAR TO HAVE  
BEEN PARTICULARLY UPSETING TO THE AIR FORCE. THERE  
HAD BEEN SOME DISSATISFACTION THAT AN OFFICER WHO HAD  
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NOT RECENTLY SERVED IN SENIOR LINE COMANDS WOULD SOON

TAKE OVER AS CHIEF OF STAFF AND PERHAPS EVENTUALLY AS AIR FORCE COMMANDER. PRESENT AIR FORCE COMMANDER, GENERAL DILARDI, IS ALSO REPORTED TO HAVE BEEN LESS THAN ENTHUSIASTIC ABOUT THE PROSPECT OF BARANDIARAN AS A SUCCESSOR.

3. COMMENT: ARIAS' DENIAL RINGS TRUE. WE ALSO THINK IT PROBABLE THAT THERE WAS SOME DISENCHANTMENT WITH BARANDIARAN ON THE PART OF PRESIDENT VELASCO AND THE AIR FORCE ALIKE. HIS ABRUPT DEPARTURE APPEARS TO HAVE LEFT FEWER RIPPLES THAN MIGHT HAVE BEEN EXPECTED. IT WILL BE RECALLED THAT BARANDIARAN'S BROTHER, ARMY DIVISION GENERAL JORGE BARANDIARAN (NOW COMMANDER IN THE IQUITOS MILITARY REGION), RESIGNED HIS POST AS MINISTER OF AGRICULTURE IN MARCH 1971, REPORTEDLY BECAUSE OF FRICTION WITH PRESIDENT VELASCO.  
DEAN

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## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Draft Date:** 23 OCT 1974  
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**Disposition Approved on Date:**  
**Disposition Authority:** shawdg  
**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Subject:** COMMERCE MINISTER DENIES PREDECESSOR'S INVOLVE- MENT IN EPSA SCANDAL  
**TAGS:** EIND, PINT, PGOV, PE, (BARANDIARAN), (ARIAS GRAZIANI, LUIS)  
**To:** STATE  
**Type:** TE  
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